Lily

Spouse is Ted. Two young children, Henry and Jacob.

Available Funds: Moderate
Health Care Use: Moderate

Let's look at how the IYC Health Plan and High Deductible Health Plan (HDHP) would work for Lily's family over the course of three years.

Year 1

	IYC Health Plan	HDHP
Annual Premium	$3,684 *(Employer pays $24,700)*	$1,368 *(Employer pays $23,200)*
Health Savings Account (HSA) Annual Employer Contribution Lily's Annual Contribution	None. Not eligible for HSA.	$1,650 $2,300
Primary Care Office Visits 5 Visits 1 Lab Order	$125 *($75 in visit copays + $50 for lab)*	$650 *Must pay the costs until the deductible is met ($600 in office visits + $50 for lab)*
Preventive Care Adult Physicals Well-Child Visits	$0	$0
Prescription 4 Fills of Generic Antibiotics	$20	$40
Year 1 Total	**Lily would pay $3,829** for her family's health care this year.	**Lily would pay $3,668** in premiums and HSA contributions this year. She would also have **$3,260 in her HSA** for future health care expenses after paying for her family's prescriptions and office visits this year.

Year 2

	IYC Health Plan	HDHP
Annual Premium	$3,684 *(Employer pays $24,700)*	$1,368 *(Employer pays $23,200)*
Health Savings Account (HSA) Annual Employer Contribution Lily's Annual Contribution Carryover Balance	None. Not eligible for HSA.	 $1,650 $2,300 $3,260
Primary Care Office Visits 3 Visits 1 Lab Order	$95 *($45 in visit copays + $50 lab)*	$410 *($360 in office visits + $50 for lab)*
Preventive Care Adult Physicals Well-Child Visits	$0	$0
Prescription 4 Fills of Generic Antibiotic	$20	$40
Unplanned Ear Tube Placement Surgery for Henry Total Cost: $5,000	$680 *Lily must meet the deductible of $250 per individual. She has already paid $50 toward the deductible when she paid for Henry's lab work and is responsible for $200 more to meet the deductible (prescriptions and office visit copays do not count toward the deductible).* *Then she is responsible for 10% of the remaining cost, up to the medical out-of-pocket-limit (OOPL) of $1,250 per individual.*	$3,065 *Lily must first meet the full family deductible of $3,300. She has already paid $450 toward health care expenses this year and is responsible for $2,850 more to meet the deductible.* *Then she is responsible for 10% of the remaining cost, up to the full family HDHP OOPL of $5,000.*
Year 2 Total	**Lily would pay $4,479** for her family's health care this year.	**Lily would pay $3,668** in premiums and HSA contributions this year. After the unexpected surgery, office visits and prescriptions, she would use $3,515 from her HSA. She would have **$3,695 remaining in her HSA** for future medical expenses.

Year 3

	IYC Health Plan	HDHP
Annual Premium	$3,684 *(Employer pays $24,700)*	$1,368 *(Employer pays $23,200)*
Health Savings Account (HSA) Employer Contribution Lily’s Annual Contribution Carryover Balance	None. Not eligible for HSA.	 $1,650 $2,300 $3,695
Primary Care Office Visits 2 Visits	$30	$240
Preventive Care Adult Physicals Well-Child Visits	$0	$0
Prescription 2 Fills of Generic Medications	$10	$20
Unplanned Leg Fracture for Jacob Total Cost: $15,000	$1,250 *Lily must meet the deductible of $250 per individual. She hasn’t paid any money toward Jacob’s health care expenses this year, so she is responsible for $250 to meet the deductible.* *Then she is responsible for 10% of the remaining cost, up to the medical OOPL of $1,250 per individual.*	$4,236 *Lily must first meet the full family deductible of $3,300. She has already paid $260 toward health care expenses this year and is responsible for $3,040 more to meet the deductible.* *Then she is responsible for 10% of the remaining cost, up to the full family HDHP OOPL of $5,000.*
Year 3 Total	**Lily would pay $4,974** for her family’s health care this year.	**Lily would pay $3,668** in premiums and HSA contributions this year. After the unexpected surgery, office visits and prescriptions, she would use $4,496 from her HSA. She would have **$3,149 remaining in her HSA** for future medical expenses.

Total Over 3 Years

IYC Health Plan	Lily would pay **$13,282** for her family's health care over 3 years.
HDHP	Lily would pay **$11,004** for her family's health care over 3 years. She would have **$3,149 in her HSA** for her family's future medical expenses and can continue to grow this in the next year. By contributing to her HSA with pre-tax dollars, she saved 30% in taxes or **$2,070**. Tax savings may vary.

What Lily Chose…

Lily chose the IYC Health Plan because she valued predictability when it came to monthly health care costs -- her children's needs were unpredictable and a little accident-prone.

As you can see, even with unplanned expenses, Lily would have come out ahead with High Deductible Health Plan (HDHP) and HSA. However, if Lily hadn't been willing to save money for unplanned medical expenses, this would not have been a good choice.

One thing to remember with the Health Savings Account (HSA) is that funds aren't available until they are deposited. Your employer's contributions are deposited evenly throughout the year, so you won't receive the entire amount until the end of the year. Most employees also make monthly contributions but may also deposit additional money at any time. Thus, if you have a large medical expense, you can contribute money -- even after you incur the expense to reimburse yourself.

While building up your HSA funds, make sure you have extra money on hand for unexpected health care expenses. A good rule of thumb is to have enough to cover the deductible. For a family that would be $3,300.

With the HDHP, Lily added $2,300 to her HSA each year in addition to her employer's contribution. Lily's contribution is roughly the difference between the annual premium for the HDHP and the IYC Health Plan. There is a limit to how much can be added to an HSA in a given year: $8,550 for a family plan. This limit includes both her and her employer's contributions.

> **!** Note: The case study presented here is an example of health care expenses incurred by a fictitious member of our program. Your situation is unique; thoroughly evaluate all of your needs before selecting a plan design option.